

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 042727
ORIGIN EB-08

INFO OCT-01 ARA-10 ISO-00 STR-07 CIAE-00 COME-00
DODE-00 DOTE-00 FMC-01 INR-10 NSAE-00 CG-00
DLOS-09 OES-07 L-03 PA-01 /057 R

DRAFTED BY EB/TRA/MA:JAPURNELL:EW
APPROVED BY EB/TRA/MA:RKBANK
ARA/ECP:DTAHER (SUBS)
MARAD:FRAITER
ARA/ECP:SMYLES (INFO)

-----077782 172013Z /47

O R 171955Z FEB 78
FM SECSTATE WASHDC
TO AMEMBASSY BRASILIA IMMEDIATE
INFO AMCONSUL RIO DE JANEIRO

LIMITED OFFICIAL USE STATE 042727

E.O. 11652:N/A

TAGS: EWWT, BR

SUBJECT:DEPARTMENT REPRESENTATIONS ON BEHALF OF SEA-LAND

REF: STATE 035108

1. AT DEPARTMENT'S REQUEST, BRAZILIAN ECONOMIC COUNSELOR SALGADO DOS SANTOS AND TRANSPORTATION OFFICER BRAGA MET WITH DEPARTMENT AND MARITIME ADMINISTRATION OFFICERS FEBRUARY 16. DIRECTOR OF DEPARTMENT'S OFFICE OF MARITIME AFFAIRS MADE FOLLOWING POINTS IN DISCUSSING THE OVERALL DESIRE TO SUSTAIN AND ENLARGE THE BILATERAL TRADE:

2. A. IT WAS IMPORTANT FOR BRAZILIAN EMBOFFS TO REALIZE AND REPORT TO BRASILIA THAT SEA-LAND ENJOYS FULL SUPPORT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 042727

OF USG. FACT THAT SEA-LAND IS NOT A SUBSIDIZED CARRIER MAY HAVE GIVEN RISE TO FALSE BELIEFS THAT MARAD IN PARTICULAR AND THE USG IN GENERAL WAS NOT FULLY SUPPORTING RIGHT OF SEA-LAND TO OPERATE IN THE U.S./BRAZIL TRADE FREE OF DISCRIMINATION.

B. THE NEGOTIATION OF POOL SHARES IS A COMMERCIAL MATTER

AND THE USG CANNOT, UNDER LAW, INTERJECT ITSELF INTO THIS MATTER. OF COURSE, FMC WILL HAVE TO APPROVE THE POOLING ARRANGEMENTS AFTER THEY ARE NEGOTIATED.

C. SUNAMAM RESOLUTION 5246, WHICH REQUIRES, INTER-ALIA, THAT BRAZILIAN EXPORTS ARRIVE AT THEIR DESTINATION ON THE SAME VESSEL IN WHICH THEY DEPART BRAZIL. THEREFORE, IT SEEKS TO REGULATE THE DOMESTIC OPERATION OF U.S. CARRIERS IN THE SEA-LAND PUERTO RICO RELAY. SINCE SUCH TRANSSHIPMENT WOULD BE FOR ONWARD MOVEMENT BETWEEN U.S. PORTS, ITS ENFORCEMENT IN THIS CASE WOULD BE AN UNACCEPTABLE VIOLATION OF U.S. SOVEREIGNTY.

D. CONTAINER STANDARDS--DEPARTMENT MADE THREE POINTS REPORTED PARA 4 REFTEL. WE EMPHASIZED THAT WE WOULD PAY CLOSE ATTENTION TO THIS MATTER, AND EXPRESSED OUR CONCERN OVER OUTCOME OF SEA-LAND PRESENTATION TO CIDETI .

3. SALGADO DOS SANTOS RESPONDED THAT CIDETI HAD RECENTLY, BY UNANIMOUS VOTE, TURNED DOWN A PREVIOUS SEA-LAND REQUEST FOR A WAIVER OF THE ISO CONTAINER STANDARD RULE. SHE THOUGHT THAT THERE WAS NO POSSIBILITY, GIVEN THAT THE VOTE WAS UNANIMOUS AND THAT STANDARD WAS AN INTERNATIONAL ONE, THAT CIDETI WOULD REVERSE ITS DECISION. SHE SAID THAT THE DECREE ON ISO CONTAINER STANDARDS COULD NOT BE REGARDED AS DISCRIMINATORY BECAUSE IT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 042727

APPLIED TO ALL LINES, NOT ONLY TO SEA-LAND. IN FACT, SEA-LAND'S REQUEST FOR SPECIAL TREATMENT COULD BE REGARDED AS SEEKING DISCRIMINATION FAVORABLE TO IT. A GOVERNMENT, SHE ADDED, CANNOT BE ASKED TO CHANGE ITS REGULATIONS FOR THE BENEFIT OF A PRIVATE CORPORATION.

5. IN REPLY, DIRECTOR EB/MA POINTED OUT THAT SEA-LAND IS ONLY SHIPPING LINES IN WORLD WHICH HAS A LARGE NUMBER OF CONTAINERS WHICH DO NOT MEET ISO STANDARDS. THUS, RESTRICTIONS BY BRAZIL ON SUCH CONTAINERS COULD BE VIEWED AS DIRECTED SPECIFICALLY AGAINST SEA-LAND. HE THEN REITERATED THAT A WAIVER PROVISION IS CONTAINED IN THE DECREE AND A WAIVER OF THE RESTRICTIONS WOULD EXPEDITE THE INTRODUCTION OF THE MOST EFFICIENT, AVAILABLE, SHIPPING TECHNOLOGY, TO THE BENEFIT OF BOTH COUNTRIES; AND THAT ISO STANDARDS, WHICH THE USG HAS SUPPORTED, WERE NOT MANADATORY BUT RATHER WERE SUGGESTIONS.

6. FYI: SEA-LAND ATTORNEY WROTE TO STR STRAUSS FEBRUARY 14 PROVIDING BACKGROUND INFORMATION ON SEA-LAND DIFFICULTIES IN ENTERING BRAZIL TRADES. LETTER WAS

NOT A FILING WITH THE STR OF A FORMAL TRADE COMPLAINT,
BUT LAID THE GROUNDWORK FOR A FILING IF BRAZILIANS DO
NOT WAIVE THEIR RESTRICTIONS. EMBASSY SHOULD NOT RPT
NOT MENTION THIS LETTER TO ANY PARTY OTHER THAN SEA-
LAND EXECUTIVES. VANCE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MARINE TRANSPORTATION, TRADE, DIPLOMATIC REPRESENTATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE042727
Document Source: CORE
Document Unique ID: 00
Drafter: JAPURNELL:EW
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780074-0654
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780239/aaaabhav.tel
Line Count: 121
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 88fe07d4-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 35108
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3553839
Secure: OPEN
Status: NATIVE
Subject: DEPARTMENT REPRESENTATIONS ON BEHALF OF SEA-LAND
TAGS: EWWT, BR, SEA-LAND
To: BRASILIA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/88fe07d4-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014